

April 10, 2001

Mr. Curtis Wolfe
Chief Information Officer
State of North Dakota
600 E. Blvd Ave
Bismarck, ND 58504-6708

Dear Curt,

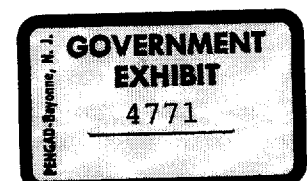
Per your request, I have attached several documents that outline the activities involved in the evaluation of an ERP solution for the state.

Some key highlights include:

- Process began in August of 2000 with the generation of a Request for Proposal.
- Pulling together constituencies from state government, higher education and public education. North Dakota is a leader in the nation with this approach.
- Over 100 evaluators from the various constituencies have provided feedback and insight into this process.

Please contact me with any questions.

Scott Kost
Webb Information Services



NDI 007095

ERP Evaluation Process

Activity	Date(s)
RFP Preparation Begins	August 1, 2000
Release of RFP to vendors	September 18, 2000
Mandatory Bidder's conference	October 3, 2000
Responses to questions from Bidder's conference	October 10, 2000
Deadline for written questions	October 23, 2000
Responses to written questions completed	October 30, 2000
Due date for Proposals	November 17, 2000
Proposals opened at 4:00 p.m. CST	November 17, 2000
State evaluation of Proposals (Evaluation Round 1)	November 20 - December 15, 2000
Selection of Finalists	December 15, 2000
Oral Presentations by Finalists (Evaluation Round 2)	Weeks of January 15, January 22, and January 29, 2001
K-12 Presentation	February 6-9, 2001
ERP Vendor Follow-up Sessions	March 6-8, 2001
K-12 Follow-up Sessions	March 13-14, 2001
Due Date for Revised Bids	April 5, 2001
ERP Live Demo Sessions	May 2001
Selection of Preferred Vendor	May 31, 2001
Contract Negotiations	June 2001
Anticipated Project Start Date	July 1, 2001

Evaluation Results – Round 1

Criteria	Weight	Great Plains	Jenzabar	Oracle	Peoplesoft	SAP	SCT
Reputation	25%						
Implementation Approach	15%	5	6	1	3	2	4
Functional Fit	30%	5	6	1	3	4	2
Financial Proposal	15%	3	4	1	5	6	2
Proposal Excellence	10%						
Summary Total		270	330	60	210	240	150
North Dakota Value	5%	1	6	2	6	6	6
Overall Total	100%	275	360	70	240	270	180
Ranking		5	6	1	3	4	2

Notes:

The best scoring proposal has the lowest score

Company Reputation was rated as a wash among the vendors

No points awarded for Proposal Excellence

Powerschool and AAL were chosen as the K-12 Student Systems to further evaluate

Evaluation Results – Round 2

Functional Area	SCT	Peoplesoft	Oracle
Enrollment Management This area addresses the University Admissions process including the ability to manage multiple applications for multiple terms, multiple programs and multiple campuses. The system must provide an integrated and flexible system for processing admission applications for all programs, including undergraduate, graduate, professional, off-campus and continuing education students.	1.33	2.83	1.88
Financial Aid This area addresses the University requirements for a fully integrated financial aid system that meets all Federal rules and regulations, and as required, is compliant with State rules and regulations. Regulation updates must be provided on a timely basis to allow early processing of student aid applications, packaging and delivery of aid. The system must have the ability to follow current Federal methodology and adapt quickly to changes.	2.83	2.00	1.14
Registrars This area addresses the University Registration processing requiring a system accessible through multiple media including telephone, internet, intranet, kiosk, and operator-led transaction. The system must control the registration process by pre-requisite, major, minor, college, classification, sex, student level, special permission, time conflicts, class size limitations, and co-requisite.	1.50	2.49	2.57
Implementation, Training and Support This area addresses the vendors ability to provide the necessary implementation, training and support services.	2.00	1.00	3.00
HECN Finance This area address the University System's requirements for a financial management system that follows GAAP as defined by the AICPA Audit Guide for Colleges and Universities and will follow GAAP as defined by GASB 35 beginning with fiscal year 2002. The University System requires an integrated suite of financial management products for Accounts Payable, Accounts Receivable (including cashiering and student accounts), General Ledger, Purchasing, Grant and Contract Accounting, Budgeting, Human Resources and Payroll, Fixed Assets, Inventory, Fee Billing, and Job Billing.	2.70	1.30	2.00
State Finance This area addresses the State's requirements for a financial system that maintains its official accounting records following Generally Accepted Accounting Principles (GAAP). The system must accurately process and account for State revenues and expenses, assets and liabilities, and cash flows on cash, accrual and modified accrual bases. The system must apply budgetary and funds availability edits consistent with North Dakota statutes. The system must support the preparation of the State's Comprehensive Annual Financial Report (CAFR), including the ability to conform with published pronouncements that define GAAP for state governments. In addition, the system must support GASB34 and GASB35 reporting requirements.	2.95	1.53	1.53
HR/Payroll This area addresses the needs for a Human Resource system supporting all human resources activities with an integrated application that supports the processing and reporting requirements for payroll.	2.73	1.67	1.20

State Technical This area addresses the overall technology configuration for the application including scalability, reliability, and performance. This area also addresses the solutions capability to take advantage of current technologies.		3.00	1.00	2.00
HECN Technical This area addresses the overall technology configuration for the application including scalability, reliability, and performance. This area also addresses the solutions capability to take advantage of current technologies.		2.20	2.40	1.40
K-12 Finance This area addresses the needs for a Human Resource system supporting all human resources activities with an integrated application that supports the processing and reporting requirements for payroll.		3.00	2.00	1.00
Summary		2.42	1.82	1.77
Ranking		3	2	1

Functional Area	AAL	Powerschool
K-12 Student This area addresses the K-12 requirements for an integrated Student Information System that provides the capability for definition, management, and reporting of administrative and demographic data related to teachers, classes, students, courses, campuses, class schedules, qualifications, and other related data.	2.00	1.00

Value to North Dakota

An ERP solution will provide the state with a strategic tool – one that equips the state with the necessary capabilities to integrate and synchronize government functions into streamlined, best business practices.

This is accomplished through:

- Creating integrated information across government (State government agencies, Higher Education and K-12)
- Improving access to information
- Improving the accuracy of information
- Enabling streamlined business processes
- Improving productivity by automating job tasks
- Enabling e-business and self-service applications

Concerns with Great Plains Proposal

- Overall, the proposed Great Plains solution was ranked in 5th place (out of six respondents).
- The higher education component (ABT Software) is a product focused on small and medium sized financial institutions and scored particularly poorly in the evaluation.
- In the Financial Systems area for Higher Education, the financial solution failed on 62 of 195 critical testing areas. (The highest scoring solution failed on 7 of 195).
- In the Financial Systems area for State government, the financial solution ranked 5th primarily due to the lack of Appropriation Controls, Cash Management functionality, CAFR functionality, Grant Accounting requirements, and Contract Management functionality.
- While Great Plains scored reasonably well in the technology area, their proposal failed to address critical areas such as performance and scalability benchmarks and the requirements for on-going system administration.
- Systems integration is a major requirement for this solution – the Great Plains solution was not fully integrated because third-party products are significantly involved.
- The Great Plains solution carried higher risk than competing solutions due to the amount of customization that would be required to meet the state's requirements.
- Total cost of ownership for the solution – while certain components were less expensive, the overall total cost of ownership was similar to or higher than competing solutions.